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004/057

IN THE CHANCERY COURT OF TENNESSEE  
FOR THE THIRTIETH JUDICIAL DISTRICT AT MEMPHIS, SHELBY COUNTY

BARRY ARNAZ PUGH,

Plaintiff,

vs.

STATE FARM FIRE AND CASUALTY COMPANY,

Defendant.

NO. CH-07-0071  
Div. 2

JAN 25 2007  
JACKSON CLAIMS

COMPLAINT

To the Chancellors of the Chancery Court for the Thirtieth Judicial District:

Comes now the Plaintiff, Barry Arnaz Pugh, and sues the Defendant, State Farm Fire and Casualty Company, and for cause of action respectfully shows to the court:

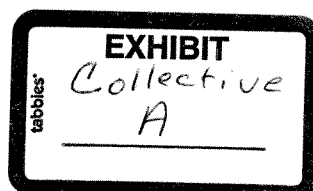
JURISDICTION AND VENUE

I.

That Plaintiff, Barry Arnaz Pugh, is a resident citizen of Memphis, Shelby County, Tennessee, who at the time of the incident in question was residing at 451 South Circle Road, Memphis, TN 38127, and who currently resides at 8046 Salbury Place, #205, Memphis, Shelby County, Tennessee 38119.

II.

That Defendant, State Farm Fire and Casualty Company, is and has been at all times relevant to this action a licensed insurance company doing business in Tennessee subject to service of process through the Commissioner of Insurance and Commerce at 500 James



01/25/2007 14:56 FAX

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005/057

Robertson Parkway, Nashville, Tennessee, 37243-1131. To the best of Plaintiff's information and belief, State Farm Fire and Casualty Company is an Illinois corporation, domiciled in Illinois, with business headquarters located at One State Farm Plaza, Bloomington, IL 61710.

STATE FARM  
INSURANCE COMPANIESJAN 25 2007  
JACKSONVILLE

### FACTS

#### III.

That Plaintiff owned a certain dwelling house located at 451 South Circle Road in Memphis, Tennessee, on January 3, 2006, worth approximately Two Hundred Thirty Thousand Four Hundred Fifty Dollars and 00/100 (\$230,450.00). Plaintiff continued to own said house until the destruction of the house by fire, as hereinafter shown, and Plaintiff continues to own the lot on which the residence is currently being rebuilt.

#### IV.

That the Plaintiff owned personal property on January 3, 2006, worth in excess of One Hundred Fifty Seven Thousand One Hundred Twenty Five Dollars and 00/100 (\$157,125.00) located in said house, and Plaintiff continued to own said personal property until the destruction of said house and personal property by fire, as hereinafter shown.

#### V.

That the Defendant, in consideration of monies paid by Plaintiff, issued and delivered to the Plaintiff a policy of insurance upon said house, being number 42-KE-5200-2, which insured the house and personal property therein against the loss of damage caused by fire for a period of one year from January 3, 2006.

01/25/2007 14:56 FAX

→ FIRE CIOS

006/057

## VI.

That said State Farm Policy number 42-KE-5200-2 insured the house and personal property therein against the loss or damage caused by fire in the following amounts: Two Hundred Nine Thousand Dollars and 00/100 (\$209,000.00) under Coverage A – Dwelling; Twenty Thousand Nine Hundred Fifty Dollars and 00/100 (\$20,950.00) under Coverage A – Dwelling Extension; One Hundred Fifty Seven Thousand One Hundred Twenty Five Dollars and 00/100 (\$157,125.00) under Coverage B – Personal Property; Amount of Actual Loss Sustained under Coverage C – Loss of Use; and Forty One Thousand Nine Hundred Dollars and 00/100 (\$41,900.00) under Option ID – Increased Dwelling. Further coverage is provided under the various provisions and options of said policy, which are more fully and specifically described by the policy itself, attached herewith as Exhibit A.

STATE FARM  
INSURANCE COMPANIES  
JAN 25 2007  
JACKSON CLAIMS

## VII.

That after the delivery of said policy, and before the expiration thereof, on or about January 15, 2006, the dwelling located at 451 South Circle Road, Memphis, TN 38127, and all personal property contained therein, was accidentally burned and totally destroyed.

## VIII.

That following the fire Plaintiff forthwith gave notice to Defendant, submitted the proofs required of him by said policy of insurance, and in all particulars complied with the contract.

## IX.

That although more than sixty days after such notice and proof of said loss have elapsed, Defendant has not fully paid all sums owed and due to the Plaintiff under said policy. Defendant has made payments of Two Hundred Seven Thousand Four Hundred Five Dollars and 00/100 (\$207,405.00) under the Coverage A – Dwelling provision of the policy, and Forty Thousand

01/25/2007 14:57 FAX

→ FIRE CIOS

007/057

Five Hundred Forty Nine Dollars and 44/100 (\$40,549.44) under the Coverage B – Personal Property provision.

STATE FARM  
INSURANCE COMPANIE

JAN 25 2007

JACKSON CLAIMS

**BREACH OF CONTRACT**

**X.**

Plaintiff hereby reiterates and incorporates by reference the facts as set forth in paragraphs III-VII as the basis for this cause of action.

**XI.**

That the aforementioned insurance policy formed a legal and binding agreement between the Plaintiff and the Defendant, which obligated Defendant to pay Plaintiff for loss or damage caused by fire, including, but not limited to, the following amounts, pursuant to the terms of said policy, which is exhibited herewith as Exhibit A: Two Hundred Nine Thousand Dollars and 00/100 (\$209,000.00) under Coverage A – Dwelling; Twenty Thousand Nine Hundred Fifty Dollars and 00/100 (\$20,950.00) under Coverage A – Dwelling Extension; One Hundred Fifty Seven Thousand One Hundred Twenty Five Dollars and 00/100 (\$157,125.00) under Coverage B – Personal Property; Amount of Actual Loss Sustained under Coverage C – Loss of Use.

**XII.**

That the aforementioned agreement was breached by the Defendant by failing to fully pay Plaintiff for loss or damage caused by fire to Plaintiff's personal property.

**XIII.**

That as a result of the Defendant's breach of the agreement between the two parties hereto, Plaintiff has been damaged in that Plaintiff has suffered the loss of his personal property without full compensation, as well as the loss of use of said personal property.

01/25/2007 14:57 FAX

→ FIRE CIOS

008/057

**BAD FAITH**

STATE FARM  
INSURANCE COMPANIES

XIV.

JAN 25 2007

JACKSON CLAIMS

Plaintiff hereby reiterates and incorporates by reference the facts as set forth in paragraphs III-VII as the basis for this cause of action.

XV.

That Defendant, as an insurance company doing business in Tennessee, is subject to Tennessee's bad-faith statute, set forth in T.C.A. §56-7-105, which states as follows:

"Bad-faith failure to pay promptly. The insurance companies of this state, and foreign insurance companies and other persons or corporations doing an insurance or fidelity bonding business in this state, in all cases when a loss occurs and they refuse to pay the loss within sixty (60) days after a demand has been made by the holder of the policy or fidelity bond on which the loss occurred, shall be liable to pay the holder of the policy or fidelity bond, in addition to the loss and interest thereon, a sum not exceeding twenty-five percent (25%) on the liability for the loss" (T.C.A. 56-7-105[a]).

XVI.

That Plaintiff has made multiple demands for payment, including a written demand for payment dated June 6, 2006, in which Defendant was notified of Plaintiff's intent to seek damages pursuant to Tennessee's Bad Faith statute; a copy of this demand is exhibited herewith as Exhibit B.

XVII.

That Defendant has failed and refused to pay the loss within sixty (60) days of said demand exhibited herewith as Exhibit B, and Defendant's failure to pay has been without explanation and is not in good faith.

01/25/2007 14:57 FAX

→ FIRE CIOS

008/057

XVIII.

That Defendant's failure to pay the Plaintiff has inflicted expense, loss, and injury upon the Plaintiff, and, accordingly, Plaintiff is entitled to recover, in addition to the amount of the insured loss and interest thereon, an amount equal to twenty-five percent (25%) of the liability for the loss, pursuant to T.C.A. §56-7-105.

STATE OF TENNESSEE  
INSURANCE COMMISSION  
JAN 25 2007  
JACKSON CLAIMS

**TENNESSEE CONSUMER PROTECTION ACT**

XIX.

Plaintiff hereby reiterates and incorporates by reference the facts as set forth in paragraphs III-VII as the basis for this cause of action.

XX.

That Tennessee's Consumer Protection Act, as set forth in T.C.A. 47-18-101 et seq., applies to claims handling procedures in insurance disputes.

XXI.

That Defendant's conduct in handling the Plaintiff's policy and claim was unfair and deceptive in that Defendant held out in its policy that when premiums are paid in a timely manner, claims would be paid; Defendant then failed and refused to fully pay Plaintiff as obligated under the terms of the policy, which clearly shows intent not to honor the terms of Plaintiff's policy.

XXII.

That Defendant's said unfair and deceptive conduct is in violation of the Tennessee Consumer Protection Act as set forth in T.C.A. 47-18-101 et seq.

01/25/2007 14:57 FAX

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XXIII.

That Defendant's deceptive practices have inflicted expense, loss, and injury upon the Plaintiff in that Plaintiff has suffered the loss of his personal property without full compensation, as well as the loss of use of said personal property.

STATE FARM  
INSURANCE COMPANIES

JAN 25 2007  
JACKSON CLAIMS

XXIV.

That Plaintiff is entitled to treble damages in the total amount of Three Hundred Forty Nine Thousand Seven Hundred Twenty Six Dollars and 68/100 (\$349,726.68) for Defendant's deceptive and unfair practices, pursuant to T.C.A. §47-18-109.

XXV.

That Plaintiff is entitled to reasonable attorney fees and costs of this action pursuant to T.C.A. §47-18-109.

**PRAYERS FOR RELIEF**

XXVI.

The premises considered, Plaintiff demands:

1. That proper process issue to the State Commissioner of Insurance for the Defendant State Farm Fire and Casualty Company.
2. That the Plaintiff have a decree against the Defendant for the amount due to him on said insurance policy under Coverage B – Personal Property in the amount of One Hundred Sixteen Thousand Five Hundred Seventy Five Dollars and 56/100 (\$116,575.56) and for interest thereon after the lapse of said sixty days.



01/25/2007 14:57 FAX

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011/057

3. That the Plaintiff have a decree against the Defendant for the amount equal to twenty-five percent (25%) of the liability for the loss, pursuant to T.C.A. §56-7-105, <sup>STATE FARM</sup> <sup>INSURANCE COMPANIES</sup>
4. That the Plaintiff have a decree against the Defendant for treble damages in <sup>JAN 25 2007</sup> <sup>JACKSON CLAIMS</sup> the amount of Three Hundred Forty Nine Thousand Seven Hundred Twenty Six Dollars and 68/100 (\$349,726.68), pursuant to T.C.A. §47-18-109.
5. That the Plaintiff have a decree against the Defendant for reasonable attorney fees and costs.
6. That the Court order Defendant to pay to Plaintiff all additional amounts payable under the provisions of said insurance policy when they become due.
7. That the Plaintiff may have such further and other relief as he may be entitled to.

Respectfully Submitted,

Cordts & Gulley, PLLC



David N. Arnold, BPR# 024294

Attorney for Plaintiffs

6263 Poplar Avenue, Suite 1132

Memphis, TN 38119

(901) 684-2270



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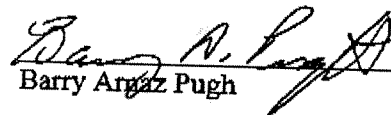
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OATH  
STATE OF TENNESSEE

COUNTY OF SHELBY

Barry Arnaz Pugh, being first duly sworn, makes oath that he has read the foregoing Complaint, knows the contents thereof, and that the same is true and correct to the best of his knowledge, information and belief; that this Complaint is made for the causes mentioned therein; and that he is justly entitled to the relief sought.

  
Barry Arnaz Pugh

SWORN TO AND SUBSCRIBED BEFORE ME this 10<sup>th</sup> day of

Jan., 2007.

  
NOTARY PUBLIC

My Commission Expires: 03-17-07

01/25/2007 14:57 FAX

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013/057

# EXHIBIT A

STATE  
INSURANCE CO. OF MISSISSIPPI

JAN 25 2007

JACKSON CLAIMS

01/25/2007 14:57 FAX

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# State Farm Insurance Companies®



STATE FARM  
INSURANCE COMPANIES  
Memphis Operations Center  
2500 Memorial Boulevard  
Memphis, Tennessee 38111-0001  
JACKSON CLAIMS

## CERTIFICATE

I, the undersigned, do hereby certify that I am custodian of the records pertaining to the issuance of policies by the Tennessee Division of State Farm Fire and Casualty Company of Bloomington, Illinois.

I further certify that the attached policy, 42-KK-5200-2, is a copy of the policy together with endorsements issued to Pugh, Barry of 451 S Circle Rd Memphis TN 38127-2641 based upon our available records.

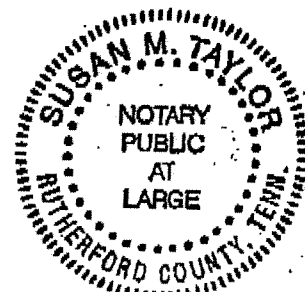
The policy was in effect on the reported date of loss 01/15/2006.

*Nathan Miller*  
Nathan Miller  
Underwriting Team Manager

State of Tennessee  
County of Rutherford

Subscribed and sworn to before me this 11th day of May, 2006.

*Susan M. Taylor*  
Notary Public



My Commission Expires MAY 18, 2008

01/25/2007 14:57 FAX

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015/057

2500 MEMORIAL BLVD  
MURFREESBORO TN 37131

NAMED INSURED

PUGH, BARRY  
451 S CIRCLE RD  
MEMPHIS, TN 38127

1976-F323

Policy Number  
42-KE-5200-2Policy Period:  
12 MonthsEffective Date  
JAN 03 2006Expiration Date  
JAN 03 2007The policy period begins and ends at 12:01 AM standard time  
at the residence premises.

LN NO. 0069012585

MORTGAGEE

AMC MORTGAGE SERVICES INC  
PO BOX 11056  
ORANGE, CA 92866JAN 25 2007  
JACKSON CLAIMS**HOMEOWNERS POLICY**

Automatic Renewal - If the policy period is shown as 12 months, this policy will be renewed automatically subject to the premiums, rules and forms in effect for each succeeding policy period. If this policy is terminated we will give you and the Mortgagee/Lienholder written notice in compliance with the policy provisions or as required by law.

Location of Residence Premises  
Same as Insured's Mailing Address

PUGH, BARRY

**Coverages & Property  
SECTION I**

	Limits of Liability
A DWELLING	up to \$209,500
B DWELLING EXTENSION	20,950
C PERSONAL PROPERTY	157,125
LOSS OF USE	ACTUAL LOSS SUSTAINED

**SECTION II**

L Personal Liability (Each Occurrence)	\$ 300,000
Damage to Property of Others	\$ 500
M Medical Payments to Others (Each Person)	\$ 5,000

Inflation Coverage Index: 177.0

Deductibles - SECTION I

ALL PERILS	\$ 1%
EARTHQUAKE	10%

In case of loss under this policy, the deductibles will be applied  
per occurrence and will be deducted from the amount of the  
loss. Other deductibles may apply - refer to your policy.

**Loss Settlement Provision (See Policy)**A1: Replacement Cost - Similar Construction  
B1: Limited Replacement Cost - Coverage BForms, Options, & Endorsements  
HOMEOWNERS POLICY  
AMENDATORY ENDORSEMENT  
POLICY ENDORSEMENT  
EARTHQUAKE END  
FUNGUS (INCLUDING MOLD) EXCL  
JEWELRY AND FURS END  
DRAIN BACK-UP  
ORDINANCE/LAW 10% \$20,950  
COV A-INC DWLG UP TO \$41,900  
MOTOR VEHICLEFP-7955  
FE-7242.4  
FE-5320  
FE-7300.4  
FE-6398  
OPTION JF  
FE-6706.1  
OPTION OL  
OPTION ID  
FE-5452

Policy Premium \$ 1432.00

Discounts Applied  
HOME ALERT

Your policy consists of this page, any endorsements  
and the policy form. Please keep these together.

Other limits and exclusions may apply - refer to your policy

FP-7001.8C

DO PREPARED MAY 11, 2006

COSBY, ULYSSES T  
901-276-1044

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FE-5452

INSURANCE COMPANIES

**MOTOR VEHICLE ENDORSEMENT****DEFINITIONS**

The definition of "motor vehicle" is replaced by the following:

"motor vehicle", when used in Section II of this policy, means:

- a. a land motor vehicle designed for travel on public roads or subject to motor vehicle registration;
- b. a trailer or semi-trailer designed for travel on public roads and subject to motor vehicle registration;
- c. a "recreational vehicle" while off an insured location. "Recreational vehicle", means a motorized vehicle designed for recreation principally off public roads that is owned or leased by an insured. This includes, but is not limited to, a motorized all terrain vehicle, amphibious vehicle, dune buggy, go-cart, golf cart, snowmobile, trailbike, minibike and personal assistive mobility device;
- d. a "locomotive" while off an insured location. "Locomotive" means a self-propelled vehicle for pulling or pushing freight or passenger cars on tracks that is large enough to carry a person and is owned or leased by an insured;

e. a bulldozer, track loader, backhoe, high-hoe, trencher, grader, crane, self-propelled scraper, excavator, pipe-layer, cherry picker, telehandler, logging vehicle, mining vehicle or road building vehicle that is owned or leased by an insured while off an insured location;

f. any vehicle while being towed or pushed by or carried on a vehicle included in a., b., c., d. or e.;

g. the following are not motor vehicles:

- (1) a motorized land vehicle in dead storage on an insured location;
- (2) a boat, camp, home or utility trailer not being towed or pushed by or carried on a vehicle included in a., b., c., d. or e.;
- (3) a motorized golf cart while used for golfing purposes;
- (4) a motorized vehicle or trailer designed to assist the handicapped that is not designed for travel on public roads or subject to motor vehicle registration;

h. "leased" does not include temporary rental.

All other policy provisions apply.

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017/057  
FE-5706.1  
(4/99)**BACK-UP OF SEWER OR DRAIN ENDORSEMENT  
(\$10,000 Limit)**STATE FARM  
INSURANCE COMPANIES**SECTION I - LOSSES INSURED**

We cover accidental direct physical loss to the dwelling used principally as a private residence on the residence premises shown in the Declarations and only the following personal property, while located in the dwelling:

1. clothes washers and dryers;
2. food freezers and the food in them;
3. refrigerators;
4. ranges;
5. portable dishwashers; and
6. dehumidifiers;

caused by or resulting from water or sewage from outside the residence premises plumbing system that enters through sewers or drains, or water which enters into and overflows from within a sump pump, sump pump well or any other system designed to remove subsurface water which is drained from the foundation area.

There is no coverage for other personal property.

This coverage does not apply if the loss is caused by your negligence.

Item c. of Sudden and accidental discharge or overflow of water or steam, shown below, is deleted:

c. caused by or resulting from water or sewage from outside the residence premises plumbing system that enters through sewers or drains, or water which enters into and overflows from within a sump pump, sump pump well or any other system designed to remove subsurface water which is drained from the foundation area; or

**SECTION I - LOSSES NOT INSURED**

Item (2) of Water Damage, shown below, is deleted:

- (2) water or sewage from outside the residence premises plumbing system that enters through sewers or drains, or water which enters into and overflows from within a sump pump, sump pump well or any other system designed to remove subsurface water which is drained from the foundation area; or

**Limit of Liability:** The limit for this coverage shall not exceed \$10,000 in any one occurrence.

**Deductible:** The deductible amount shown in the Declarations under DEDUCTIBLES - SECTION I, but in no event less than \$1,000, will be deducted from each back-up of sewer or drain loss covered by this endorsement.

**Other Insurance:** If a loss covered by this endorsement is also covered by flood insurance, we will pay only for the amount of covered loss in excess of the amount due from that insurance.

All other policy provisions apply.

FE-5706.1  
(4/99)

01/25/2007 14:58 FAX

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TELEPHONE  
COMPANIES  
JAN 25 2007  
JACKSON CLAIMS

### FUNGUS (INCLUDING MOLD) EXCLUSION ENDORSEMENT

FE-5398

#### DEFINITIONS

The following definition is added:

"fungus" means any type or form of fungus, including mold, mildew, mycotoxins, spores, scents or byproducts produced or released by fungi.

#### SECTION I - LOSSES INSURED

Item 12.d. is replaced with the following:

d. caused by or resulting from continuous or repeated seepage or leakage of water or steam which occurs over a period of time and results in deterioration, corrosion, rust, or wet or dry rot.

Item 13.b. is replaced with the following:

b. caused by or resulting from continuous or repeated seepage or leakage of water or steam which occurs over a period of time and results in deterioration, corrosion, rust, or wet or dry rot.

#### SECTION I - LOSSES NOT INSURED

Item 1.f. is replaced with the following:

f. wet or dry rot;

In Item 2., the following is added as item g.:

g. Fungus. We also do not cover:

(1) any loss of use or delay in rebuilding, repairing or replacing covered property, including any associated cost or expense, due to interference at the residence premises or location of the rebuilding, repair or replacement, by fungus;

(2) any remediation of fungus, including the cost to:

(a) remove the fungus from covered property or to repair, restore or replace that property; or

(b) tear out and replace any part of the building or other property as needed to gain access to the fungus; or

(3) the cost of any testing or monitoring of air or property to confirm the type, absence, presence or level of fungus, whether performed prior to, during or after removal, repair, restoration or replacement of covered property.

All other policy provisions apply.

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019/057

STATE FARM  
INSURANCE COMPANIES  
JAN 25 2007  
JACKSON CLAIMS

**EARTHQUAKE AND VOLCANIC EXPLOSION ENDORSEMENT**  
(Excluding Exterior Masonry Veneer)

FE-7500.4  
(1/01)

1. **SECTION 1 - LOSSES NOT INSURED** references to earthquake and volcanic explosion are deleted. Such insurance as is afforded by Section 1 of the policy is extended to insure for accidental direct physical loss caused by earthquake or volcanic explosion.
2. We do not insure under this endorsement for loss:
  - a. to exterior masonry veneer (stucco is not considered exterior masonry veneer); or
  - b. caused by or resulting from any earthquake or volcanic explosion that begins before the inception of this endorsement.

But, if this endorsement replaces earthquake insurance that excludes loss that occurs after the expiration of the policy, we will pay for loss or damage by earthquake, or volcanic explosion that occurs on or after the inception of this endorsement, if the series of earthquake shocks or volcanic explosions began within 72 hours prior to the inception of this insurance.
3. All earthquake shocks or volcanic explosions that occur within any 72-hour period will constitute a single loss. The expiration of this policy will not reduce the 72-hour period.
4. **Deductible:** The deductible for loss caused by earthquake or volcanic explosion is the amount determined by applying the deductible percentage (%) shown in the Declarations, separately, to each of the following:
  - a. the total **COVERAGE A - DWELLING** limit shown in the Declarations, excluding the cost of masonry veneer but not stucco;
  - b. the total **DWELLING EXTENSION** limit shown in the Declarations; and
  - c. the total **COVERAGE B - PERSONAL PROPERTY** limit shown in the Declarations.

We will pay only that portion of the loss which exceeds the separate deductibles calculated above. The minimum deductible for each occurrence is \$250.

All other policy provisions apply.

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01/25/2007 14:58 FAX

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**POLICY ENDORSEMENT**

FE-5320  
(4/99)

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INSURANCE COMPANIES

JAN 25 2007

**SECTION I AND SECTION II - CONDITIONS**

The following condition is added:

**Premium.** The premium for this policy may vary based upon the purchase of other insurance from one of the State Farm-affiliated companies.

All other policy provisions apply.

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01/25/2007 14:58 FAX

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**AMENDATORY ENDORSEMENT  
(Tennessee)**FE-7242.4  
STATE FA (7/97)  
INSURANCE COMPANIES

JAN 25 2007

**SECTION I - LOSSES INSURED**

We insure for accidental direct physical loss to property described in Coverages A and B caused by sinkhole collapse, meaning sudden settlement or collapse of the earth resulting from subterranean voids created by the action of water on limestone or similar rock formations. We do not insure against loss caused by abandonment of the property covered.

**SECTION I - LOSSES NOT INSURED**

The reference to "sinkhole" is deleted from **Earth Movement**.

**SECTION I AND SECTION II - CONDITIONS**

**Right to Inspect** is added:

**Right to Inspect.** We have the right but are not obligated to make inspections and surveys at any time, give you reports on conditions we find and recommend changes. Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged.

We do not:

- a. make safety inspections;

- b. undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public;

- c. warrant that conditions are safe or healthful; or

- d. warrant that conditions comply with laws, regulations, codes or standards.

This condition applies not only to us but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

**Joint and Individual Interests** is added:

**Joint and Individual Interests.** When there are two or more named insureds, each acts for all to cancel or change the policy.

All other policy provisions apply.

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01/25/2007 14:58 FAX

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022/057

STATE FARM  
INSURANCE COMPANIES

JAN 25 2007

JACKSON CLAIMS

**COVER SHEET**

This cover sheet provides a convenient summary of the policy provisions.

Your policy, including the endorsements and the attached papers, if any, constitutes a legal contract of insurance between you and us.

**READ YOUR POLICY CAREFULLY.** This cover sheet provides only a brief outline of some of the important features of your policy. This is not the insurance contract and only the actual policy provisions will control. The policy itself sets forth, in detail, the rights and obligations of both you and your insurance company. **IT IS THEREFORE IMPORTANT THAT YOU READ YOUR POLICY.****INDEX OF MAJOR PROVISIONS**

<b>DECLARATIONS</b>	<b>Begins on Page</b>
Your Name	
Location of Your Residence	
Policy Period	
Coverages	
Limits of Liability	
Deductibles	
<b>DECLARATIONS CONTINUED</b>	<b>Declarations Page</b>
<b>DEFINITIONS</b>	<b>1</b>
<b>SECTION I - YOUR PROPERTY</b>	<b>1</b>
<b>COVERAGES</b>	
Coverage A - Dwelling	3
Coverage B - Personal Property	3
Coverage C - Loss of Use	3
Additional Coverages	4
Inflation Coverage	5
<b>LOSSES INSURED</b>	7
<b>LOSSES NOT INSURED</b>	7
<b>LOSS SETTLEMENT</b>	9
<b>CONDITIONS</b>	11
<b>SECTION II - YOUR LIABILITY</b>	<b>13</b>
<b>COVERAGES</b>	
Coverage L - Personal Liability	15
Coverage M - Medical Payments to Others	15
Additional Coverages	15
<b>EXCLUSIONS</b>	15
<b>CONDITIONS</b>	16
<b>SECTION I AND SECTION II - CONDITIONS</b>	<b>18</b>
<b>OPTIONAL POLICY PROVISIONS</b>	<b>19</b>
	<b>20</b>

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INSURANCE COMPANIES

JAN 25 2007

JACKSON CLAIMS

**HOMEOWNERS POLICY****DECLARATIONS CONTINUED**

We agree to provide the insurance described in this policy:

1. based on your payment of premium for the coverages you chose;
2. based on your compliance with all applicable provisions of this policy; and
3. in reliance on your statements in these Declarations.

You agree, by acceptance of this policy, that:

1. you will pay premiums when due and comply with the provisions of the policy;
2. the statements in these Declarations are your statements and are true;

3. we insure you on the basis your statements are true

4. this policy contains all of the agreements between and us and any of our agents.

Unless otherwise indicated in this application, you state during the three years preceding the time of your application for this insurance your Loss History and Insurance History are as follows:

1. Loss History: you have not had any losses, insured; and
2. Insurance History: you have not had any insurance agency cancel or refuse to issue or renew similar insurance to you or any household member.

**DEFINITIONS**

"You" and "your" mean the "named insured" shown in the Declarations. Your spouse is included if a resident of your household. "We", "us" and "our" mean the Company shown in the Declarations.

Certain words and phrases are defined as follows:

1. "bodily injury" means physical injury, sickness, or disease to a person. This includes required care, loss of services and death resulting therefrom.

Bodily injury does not include:

- a. any of the following which are communicable: disease, bacteria, parasite, virus, or other organism, any of which are transmitted by any insured to any other person;
- b. the exposure to any such disease, bacteria, parasite, virus, or other organism by any insured to any other person; or
- c. emotional distress, mental anguish, humiliation, mental distress, mental injury, or any similar injury unless it arises out of actual physical injury to some person.

2. "business" means a trade, profession or occupation. This includes farming.

3. "Declarations" means the policy Declarations amended Declarations, the most recent renewal or certificate, an Evidence of Insurance form or endorsement changing any of these.

4. "Insured" means you and, if residents of your household:

- a. your relatives; and
- b. any other person under the age of 21 who is in the care of a person described above.

Under Section II, "Insured" also means:

- c. with respect to animals or watercraft to which policy applies, the person or organization is responsible for them. However, the animal or watercraft must be owned by you or a person included in 4.a. or 4.b. A person or organization using or having custody of these animals or watercraft in the course of a business, or without permission of the owner, is not an insured; and

01/25/2007 14:59 FAX

FIRE CIO

024/057

STATE FARM  
INSURANCE COMPANIES

JAN 25 2007

JACKSON CLAIMS

- d. with respect to any vehicle to which this policy applies, any person while engaged in your employment or the employment of a person included in 4.a. or 4.b.

5. "Insured location" means:

- the residence premises;
- the part of any other premises, other structures and grounds used by you as a residence. This includes premises, structures and grounds you acquire while this policy is in effect for your use as a residence;
- any premises used by you in connection with the premises included in 5.a. or 5.b.;
- any part of a premises not owned by an insured but where an insured is temporarily residing;
- land owned by or rented to an insured on which a one or two family dwelling is being constructed as a residence for an insured;
- individual or family cemetery, plots or burial vaults owned by an insured;
- any part of a premises occasionally rented to an insured for other than business purposes;
- vacant land owned by or rented to an insured. This does not include farm land; and
- farm land (without buildings), rented or held for rental to others, but not to exceed a total of 500 acres, regardless of the number of locations.

6. "motor vehicle" when used in Section II of this policy, means:

- a motorized land vehicle designed for travel on public roads or subject to motor vehicle registration. A motorized land vehicle in dead storage on an insured location is not a motor vehicle;
- a trailer or semi-trailer designed for travel on public roads and subject to motor vehicle registration. A boat, camp, home or utility trailer not being towed by

or carried on a vehicle included in 6.a. is not a motor vehicle;

- a motorized golf cart, snowmobile, motorized bicycle, motorized tricycle, all-terrain vehicle or any other similar type equipment owned by an insured and designed or used for recreational or utility purposes off public roads, while off an insured location. A motorized golf cart while used for golfing purposes is not a motor vehicle; and

- any vehicle while being towed by or carried on a vehicle included in 6.a., 6.b. or 6.c.

7. "occurrence", when used in Section II of this policy, means an accident, including exposure to conditions, which results in:

- bodily injury; or
- property damage;

during the policy period. Repeated or continuous exposure to the same general conditions is considered to be one occurrence.

8. "property damage" means physical damage to or destruction of tangible property, including loss of use of this property. Theft or conversion of property by any insured is not property damage.

9. "residence employee" means an employee of an insured who performs duties, including household or domestic services, in connection with the maintenance or use of the residence premises. This includes employees who perform similar duties elsewhere for you. This does not include employees while performing duties in connection with the business of an insured.

10. "residence premises" means:

- the one, two, three or four-family dwelling, other structures and grounds; or

- that part of any other building, where you reside and which is shown in the Declarations.

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025/057

STATE FARM  
INSURANCE COMPANY

JAN 25 2007

JACKSON CLAIM

**SECTION I - COVERAGES****COVERAGE A - DWELLING**

1. **Dwelling.** We cover the dwelling used principally as a private residence on the residence premises shown in the Declarations.

Dwelling includes:

- structures attached to the dwelling;
- materials and supplies located on or adjacent to the residence premises for use in the construction, alteration or repair of the dwelling or other structures on the residence premises;
- foundation, floor, slab and footings supporting the dwelling; and
- wall-to-wall carpeting attached to the dwelling.

2. **Dwelling Extension.** We cover other structures on the residence premises, separated from the dwelling by clear space. Structures connected to the dwelling by only a fence, utility line, or similar connection are considered to be other structures.

We do not cover other structures:

- not permanently attached to or otherwise forming a part of the reality;
- used in whole or in part for business purposes; or
- rented or held for rental to a person not a tenant of the dwelling, unless used solely as a private garage.

3. **Property Not Covered.** We do not cover:

- land, including the land necessary to support any Coverage A property;
- any costs required to replace, rebuild, stabilize, or otherwise restore the land; or
- the costs of repair techniques designed to compensate for or prevent land instability to any property, whether or not insured under Coverage A.

**COVERAGE B - PERSONAL PROPERTY**

1. **Property Covered.** We cover personal property owned or used by an insured while it is anywhere in the world. This includes structures not permanently attached to or

otherwise forming a part of the reality. At your request, we will cover personal property owned by others while the property is on the part of the residence premises occupied exclusively by an insured. At your request, we will also cover personal property owned by a guest or a residence employee, while the property is in any other residence occupied by an insured.

We cover personal property usually situated at an insured residence; other than the residence premises, for up to \$1,000 or 10% of the Coverage B limit, whichever is greater. This limitation does not apply to personal property in a newly acquired principal residence for the first 30 days after you start moving the property there. If the residence premises is a newly acquired principal residence, personal property in your immediate past principal residence is not subject to this limitation for the first 30 days after the inception of this policy.

**Special Limits of Liability.** These limits do not increase the Coverage B limit. The special limit for each of the following categories is the total limit for each loss for all property in that category:

- \$200 on money, coins and medals, including any of these that are a part of a collection, and bank notes;
- \$1,000 on property used or intended for use in a business, including merchandise held as samples or for sale or for delivery after sale, while on the residence premises. This coverage is limited to \$250 on such property away from the residence premises.

Electronic data processing system equipment or the recording or storage media used with that equipment is not included under this coverage;

- \$1,000 on securities, checks, cashier's checks, traveler's checks, money orders and other negotiable instruments, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, passports and tickets;

- \$1,000 on watercraft of all types and outboard motors, including their trailers, furnishings and equipment;

- \$1,000 on trailers not used with watercraft;



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026/057

STATE FARM  
INSURANCE COMPANIES

JAN 25 2007

JACKSON CLAIMS

- f. \$2,500 on stamps, trading cards and comic books, including any of these that are a part of a collection;
- g. \$2,500 for loss by theft of firearms;
- h. \$2,500 for loss by theft of silverware and goldware;
- i. \$5,000 on electronic data processing system equipment and the recording or storage media used with that equipment. There is no coverage for said equipment or media while located away from the residence premises except when said equipment or media are removed from the residence premises for the purpose of repair, servicing or temporary use. An insured student's equipment and media are covered while at a residence away from home; and
- j. \$5,000 on any one article and \$10,000 in the aggregate for loss by theft of any rug, carpet (except wall-to-wall carpet), tapestry, wall-hanging or other similar article.

## 2. Property Not Covered. We do not cover:

- a. articles separately described and specifically insured in this or any other insurance;
- b. animals, birds or fish;
- c. any engine, or motor propelled vehicle or machine, including the parts, designed for movement on land. We do cover those not licensed for use on public highways which are:
  - (1) used solely to service the insured location; or
  - (2) designed for assisting the handicapped;
- d. devices or instruments for the recording or reproduction of sound permanently attached to an engine or motor propelled vehicle. We do not cover tapes, wires, records or other mediums that may be used with these devices or instruments while in the vehicle;
- e. aircraft and parts;
- f. property of roomers, boarders, tenants and other residents not related to an insured. We do cover property of roomers, boarders and other residents related to an insured;
- g. property regularly rented or held for rental to others by an insured. This exclusion does not apply to

property of an insured in a sleeping room rented to others by an insured;

h. property rented or held for rental to others away from the residence premises;

i. any citizens band radios, radio telephones, radio transceivers, radio transmitters, radar or laser detectors, antennas and other similar equipment permanently attached to an engine or motor propelled vehicle;

j. books of account, abstracts, drawings, card index systems and other records. This exclusion does not apply to any recording or storage media for electronic data processing. We will cover the cost of blank books, cards or other blank material plus the cost of labor you incur for transcribing or copying such records; or

k. recording or storage media for electronic data processing that cannot be replaced with other of like kind and quality on the current retail market.

## COVERAGE C - LOSS OF USE

1. **Additional Living Expense.** When a Loss Insured causes the residence premises to become uninhabitable, we will cover the necessary increase in cost you incur to maintain your standard of living for up to 24 months. Our payment is limited to incurred costs for the shortest of: (a) the time required to repair or replace the premises; (b) the time required for your household to settle elsewhere; or (c) 24 months. This coverage is not reduced by the expiration of this policy.

2. **Fair Rental Value.** When a Loss Insured causes that part of the residence premises rented to others or held for rental by you to become uninhabitable, we will cover its fair rental value. Payment shall be for the shortest time required to repair or replace the part of the premises rented or held for rental, but not to exceed 12 months. This period of time is not limited by expiration of this policy. Fair rental value shall not include any expense that does not continue while that part of the residence premises rented or held for rental is uninhabitable.

3. **Prohibited Use.** When a civil authority prohibits your use of the residence premises because of direct damage to a neighboring premises by a Loss Insured, we will cover any resulting Additional Living Expense and Fair Rental

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027/057

STATE FARM  
INSURANCE COMPANY

JAN 25 2007

JACKSON CLAIMS

Value. Coverage is for a period not exceeding two weeks while use is prohibited.

We do not cover loss or expense due to cancellation of a lease or agreement.

#### SECTION I - ADDITIONAL COVERAGES

The following Additional Coverages are subject to all the terms, provisions, exclusions and conditions of this policy.

1. **Debris Removal.** We will pay the reasonable expenses you incur in the removal of debris of covered property damaged by a Loss Insured. This expense is included in the limit applying to the damaged property.

When the amount payable for the property damage plus the debris removal exceeds the limit for the damaged property, an additional 5% of that limit is available for debris removal expenses. This additional amount of insurance does not apply to Additional Coverage, item 3, Trees, Shrubs and Other Plants.

We will also pay up to \$500 in the aggregate for each loss to cover the reasonable expenses you incur in the removal of tree debris from the residence premises when the tree has caused a Loss Insured to Coverage A property.

2. **Temporary Repairs.** If damage is caused by a Loss Insured, we will pay the reasonable and necessary cost you incur for temporary repairs to covered property to protect the property from further immediate damage or loss. This coverage does not increase the limit applying to the property being repaired.

3. **Trees, Shrubs and Other Plants.** We cover outdoor trees, shrubs, plants or lawns, on the residence premises, for direct loss caused by the following: Fire or lightning, Explosion, Riot or civil commotion, Aircraft, Vehicles (not owned or operated by a resident of the residence premises), Vandalism or malicious mischief or Theft.

The limit for this coverage, including the removal of debris, shall not exceed 5% of the amount shown in the Declarations for COVERAGE A - DWELLING. We will not pay more than \$500 for any one outdoor tree, shrub or plant, including debris removal expenses. This coverage may increase the limit otherwise applicable. We do not cover property grown for business purposes.

4. **Fire Department Service Charge.** We will pay up to \$500 for your liability assumed by contract or agreement for fire department charges. This means charges incurred when the fire department is called to save or protect covered property from a Loss Insured. No deductible applies to this coverage. This coverage may increase the limit otherwise applicable.

5. **Property Removed.** Covered property, while being removed from a premises endangered by a Loss Insured, is covered for any accidental direct physical loss. This coverage also applies to the property for up to 30 days while removed. We will also pay for reasonable expenses incurred by you for the removal and return of the covered property. This coverage does not increase the limit applying to the property being removed.

6. **Credit Card, Bank Fund Transfer Card, Forgery and Counterfeit Money.**

a. We will pay up to \$1,000 for:

(1) the legal obligation of an insured to pay because of the theft or unauthorized use of credit cards and bank fund transfer cards issued to or registered in an insured's name. If an insured has not complied with all terms and conditions under which the cards are issued, we do not cover use by an insured or anyone else;

(2) loss to an insured caused by forgery or alteration of any check or negotiable instrument; and

(3) loss to an insured through acceptance in good faith of counterfeit United States or Canadian paper currency.

No deductible applies to this coverage.

We will not pay more than the limit stated above for forgery or alteration committed by any one person. This limit applies when the forgery or alteration involves one or more instruments in the same loss.

b. We do not cover loss arising out of business pursuits or dishonesty of an insured.

c. **Defense:**

(1) We may make any investigation and settle any claim or suit that we decide is appropriate. Our obligation to defend claims or suits ends when

01/25/2007 15:00 FAX

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028/057

STATE FARM  
INSURANCE COMPANIES

JAN 25 2007

JACKSON CLAIMS

the amount we pay for the loss equals our limit of liability.

(2) If claim is made or a suit is brought against an Insured for liability under the Credit Card or Bank Fund Transfer Card coverage, we will provide a defense. This defense is at our expense by counsel of our choice.

(3) We have the option to defend at our expense an Insured or an Insured's bank against any suit for the enforcement of payment under the Forgery coverage.

7. **Power Interruption.** We cover accidental direct physical loss caused directly or indirectly by a change of temperature which results from power interruption that takes place on the residence premises. The power interruption must be caused by a Loss Insured occurring on the residence premises. The power lines off the residence premises must remain energized. This coverage does not increase the limit applying to the damaged property.

8. **Refrigerated Products.** Coverage B is extended to cover the contents of deep freeze or refrigerated units on the residence premises for loss due to power failure or mechanical failure. If mechanical failure or power failure is known to you, all reasonable means must be used to protect the property insured from further damage or this coverage is void. Power failure or mechanical failure shall not include:

- a. removal of a plug from an electrical outlet; or
- b. turning off an electrical switch unless caused by a Loss Insured.

This coverage does not increase the limit applying to the damaged property.

9. **Arson Reward.** We will pay \$1,000 for information which leads to an arson conviction in connection with a fire loss to property covered by this policy. This coverage may increase the limit otherwise applicable. However, the \$1,000 limit shall not be increased regardless of the number of persons providing information.

10. **Volcanic Action.** We cover direct physical loss to a covered building or covered property contained in a building resulting from the eruption of a volcano when the loss is directly and immediately caused by:

- a. volcanic blast or airborne shock waves;
- b. ash, dust or particulate matter; or
- c. lava flow.

We will also pay for the removal of that ash, dust or particulate matter which has caused direct physical loss to a covered building or covered property contained in a building.

One or more volcanic eruptions that occur within a 72-hour period shall be considered one volcanic eruption.

This coverage does not increase the limit applying to the damaged property.

11. **Collapse.** We insure only for direct physical loss to covered property involving the sudden, entire collapse of a building or any part of a building.

Collapse means actually fallen down or fallen into pieces. It does not include settling, cracking, shrinking, bulging, expansion, sagging or bowing.

The collapse must be directly and immediately caused only by one or more of the following:

- a. parts described in SECTION I - LOSSES INSURED, COVERAGE B - PERSONAL PROPERTY. These parts apply to covered building and personal property for loss insured by this Additional Coverage;
- b. hidden decay of a supporting or weight-bearing structural member of the building;
- c. hidden insect or vermin damage to a structural member of the building;
- d. weight of contents, equipment, animals or people;
- e. weight of ice, snow, sleet or rain which collects on a roof; or
- f. use of defective material or methods in the construction (includes remodeling or renovation) of the building, if the collapse occurs during the course of the construction of the building.

Loss to an awning, fence, patio, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under items b., c., d., e. and f. unless the



01/25/2007 15:00 FAX

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029/057

STATE FARM  
INSURANCE CO. OF ILL.

JAN 25 2007

JACKSON CLAIMS

loss is the direct and immediate cause of the collapse of the building.

This coverage does not increase the limit applying to the damaged property.

12. **Locks.** We will pay the reasonable expenses you incur to re-key locks on exterior doors of the dwelling located on the residence premises, when the keys to those locks are a part of a covered theft loss.

No deductible applies to this coverage.

#### INFLATION COVERAGE

The limits of liability shown in the Declarations for Coverage A, Coverage B and, when applicable, Option ID will be

increased at the same rate as the increase in the Inflation Coverage Index shown in the Declarations.

To find the limits on a given date:

1. divide the Index on that date by the Index as of the effective date of this Inflation Coverage provision; then
2. multiply the resulting factor by the limits of liability for Coverage A, Coverage B and Option ID separately.

The limits of liability will not be reduced to less than the amounts shown in the Declarations.

If during the term of this policy the Coverage A limit of liability is changed at your request, the effective date of this Inflation Coverage provision is changed to coincide with the effective date of such change.

### SECTION I - LOSSES INSURED

#### COVERAGE A - DWELLING

We insure for accidental direct physical loss to the property described in Coverage A, except as provided in SECTION I - LOSSES NOT INSURED.

#### COVERAGE B - PERSONAL PROPERTY

We insure for accidental direct physical loss to property described in Coverage B caused by the following perils, except as provided in SECTION I - LOSSES NOT INSURED:

1. Fire or lightning.
2. Windstorm or hail. This peril does not include loss to property contained in a building caused by rain, snow, sleet, sand or dust. This limitation does not apply when the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.

This peril includes loss to watercraft of all types and their trailers, furnishings, equipment, and outboard motors, only while inside a fully enclosed building.

3. Explosion.
4. Riot or civil commotion.
5. Aircraft, including self-propelled missiles and spacecraft.

6. Vehicle, meaning impact by a vehicle.

7. Smoke, meaning sudden and accidental damage from smoke.

This peril does not include loss caused by smoke from agricultural smudging or industrial operations.

8. Vandalism or malicious mischief, meaning only willful and malicious damage to or destruction of property.

9. Theft, including attempted theft and loss of property from a known location when it is probable that the property has been stolen.

This peril does not include:

- a. loss of a precious or semi-precious stone from its setting;
- b. loss caused by theft:

- (1) committed by an insured or by any other person regularly residing on the insured location. Property of a student who is an insured is covered while located at a residence away from home, the theft is committed by a person who is not an insured;

- (2) in or to a dwelling under construction or of materials and supplies for use in the construction or the dwelling is completed and occupied; or

01/25/2007 15:00 FAX

→ FIRE CIOS

030/057

STATE  
INSURANCE CO.

JAN 25 2007

JACKSON CLAIMS

(3) from the part of a residence premises rented to others:

(a) caused by a tenant, members of the tenant's household, or the tenant's employees;

(b) of money, bank notes, bullion, gold, goldware, silver, silverware, pewterware, platinum, coins and medals;

(c) of securities, checks, cashier's checks, traveler's checks, money orders and other negotiable instruments, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, passports, tickets and stamps; or

(d) of jewelry, watches, fur garments and garments trimmed with fur, precious and semi-precious stones;

c. loss caused by theft that occurs away from the residence premises of:

(1) property while at any other residence owned, rented to, or occupied by an insured, except while an insured is temporarily residing there. Property of a student who is an insured is covered while at a residence away from home;

(2) watercraft of all types, including their furnishings, equipment and outboard motors; or

(3) trailers and campers designed to be pulled by or carried on a vehicle.

If the residence premises is a newly acquired principal residence, property in the immediate past principal residence shall not be considered property away from the residence premises for the first 30 days after the inception of this policy.

10. Falling objects: This peril does not include loss to property contained in a building unless the roof or an exterior wall of the building is first damaged by a falling object. Damage to the falling object itself is not included.

11. Weight of ice, snow or sleet which causes damage to property contained in a building.

12. Sudden and accidental discharge by overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system, or from within a household appliance.

This peril does not include loss:

a. to the system or appliance from which the water or steam escaped;

b. caused by or resulting from freezing;

c. caused by or resulting from water or sewage from outside the residence premises plumbing system that enters through sewers or drains, or water which enters into and overflows from within a sump pump, sump pump well or any other system designed to remove subsurface water which is drained from the foundation area; or

d. caused by or resulting from continuous or repeated seepage or leakage of water or steam which occurs over a period of time and results in deterioration, corrosion, rust, mold, or wet or dry rot.

13. Sudden and accidental tearing asunder, cracking, burning or bulging of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water.

This peril does not include loss:

a. caused by or resulting from freezing; or

b. caused by or resulting from continuous or repeated seepage or leakage of water or steam which occurs over a period of time and results in deterioration, corrosion, rust, mold, or wet or dry rot.

14. Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system, or of a household appliance.

This peril does not include loss on the residence premises while the dwelling is vacant, unoccupied or being constructed, unless you have used reasonable care to:

a. maintain heat in the building; or

b. shut off the water supply and drain the system and appliances of water.

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STATE FARM  
INSURANCE COMPANIES

JAN 25 2007

JACKSON CLAIMS

15. Sudden and accidental damage to electrical appliances, devices, fixtures, and wiring from an increase or decrease of artificially generated electrical current. We will pay up to \$1,000 under this peril for each damaged item described above.

16. Breakage of glass, meaning damage to personal property caused by breakage of glass which is a part of a building on the residence premises. There is no coverage for loss or damage to the glass.

## SECTION J - LOSSES NOT INSURED

1. We do not insure for any loss to the property described in Coverage A which consists of, or is directly and immediately caused by, one or more of the perils listed in Items a. through n. below, regardless of whether the loss occurs suddenly or gradually, involves isolated or widespread damage, arises from natural or external forces, or occurs as a result of any combination of these:
  - a. collapse, except as specifically provided in SECTION J - ADDITIONAL COVERAGES. Collapse:
    - (1) maintain heat in the building; or
    - (2) shut off the water supply and drain the system and appliances of water;
  - b. freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system, or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. This exclusion only applies while the dwelling is vacant, unoccupied or being constructed. This exclusion does not apply if you have used reasonable care to:
    - (1) maintain heat in the building; or
    - (2) shut off the water supply and drain the system and appliances of water;
  - c. freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a swimming pool, hot tub or spa, including their filtration and circulation systems, fence, pavement, patio, foundation, retaining wall, bulkhead, pier, wharf or dock;
  - d. theft in or to a dwelling under construction, or of materials and supplies for use in the construction, until the dwelling is completed and occupied;
  - e. vandalism or malicious mischief or breakage of glass and safety glazing materials if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;

- f. continuous or repeated seepage or leakage of water or steam from a:
  - (1) heating, air conditioning or automatic fire protective sprinkler system;
  - (2) household appliance; or
  - (3) plumbing system, including from, within or around any shower stall, shower bath, tub installation, or other plumbing fixture, including their walls, ceilings or floors;
 which occurs over a period of time. If loss to covered property is caused by water or steam not otherwise excluded, we will cover the cost of tearing out and replacing any part of the building necessary to repair the system or appliance. We do not cover loss to the system or appliance from which the water or steam escaped;
- g. wear, tear, marring, scratching, deterioration, inherent vice, latent defect or mechanical breakdown;
- h. corrosion, electrolysis or rust;
- i. mold, fungus or wet or dry rot;
- j. contamination;
- k. smog, smoke from agricultural smudging or industrial operations;
- l. settling, cracking, shrinking, bulging, or expansion of pavements, patios, foundation, walls, floors, roofs or ceilings;
- m. birds, vermin, rodents, insects, or domestic animals. We do cover the breakage of glass or safety glazing material which is a part of a building, when caused by birds, vermin, rodents, insects or domestic animals; or

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STATE FARM  
INSURANCE COMPANIES

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11. pressure from or presence of tree, shrub or plant roots.

However, we do insure for any resulting loss from items a. through m. unless the resulting loss is itself a Loss Not Insured by this Section.

2. We do not insure under any coverage for any loss which would not have occurred in the absence of one or more of the following excluded events. We do not insure for such loss regardless of: (a) the cause of the excluded event; or (b) other causes of the loss; or (c) whether other causes acted concurrently or in any sequence with the excluded event to produce the loss; or (d) whether the event occurs suddenly or gradually, involves isolated or widespread damage, arises from natural or external forces, or occurs as a result of any combination of these:

a. Ordinance or Law, meaning enforcement of any ordinance or law regulating the construction, repair or demolition of a building or other structure.

b. Earth Movement, meaning the sinking, rising, shifting, expanding or contracting of earth, all whether combined with water or not. Earth movement includes but is not limited to earthquake, landslide, mudflow, mudslide, sinkhole, subsidence, erosion or movement resulting from improper compaction; site selection or any other external forces. Earth movement also includes volcanic explosion or lava flow, except as specifically provided in SECTION I - ADDITIONAL COVERAGES, Volcanic Action.

However, we do insure for any direct loss by fire resulting from earth movement, provided the resulting fire loss is itself a Loss Insured.

c. Water Damage, meaning:

(1) flood, surface water, waves, tidal water, tsunami, seiche, overflow of a body of water, or spray from any of these, all whether driven by wind or not;

(2) water or sewage from outside the residence premises plumbing system that enters through sewers or drains, or water which enters into and overflows from within a sump pump; sump pump well or any other system designed to remove

subsurface water which is drained from the foundation area; or

(3) water below the surface of the ground, including water which exerts pressure on, or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure.

However, we do insure for any direct loss by fire, explosion or theft resulting from water damage, provided the resulting loss is itself a Loss Insured.

d. Neglect, meaning neglect of the insured to use all reasonable means to save and preserve property at and after the time of a loss, or when property is endangered.

e. War, including any undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental.

Nuclear Hazard, meaning any nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these. Losses caused by the nuclear hazard shall not be considered loss caused by fire, explosion or smoke.

However, we do insure for any direct loss by fire resulting from the nuclear hazard, provided the resulting fire loss is itself a Loss Insured.

3. We do not insure under any coverage for any loss consisting of one or more of the items below. Further, we do not insure for loss described in paragraphs 1. and 2. immediately above regardless of whether one or more of the following: (a) directly or indirectly cause, contribute to or aggravate the loss; or (b) occur before, at the same time, or after the loss or any other cause of the loss:

a. conduct, act, failure to act, or decision of any person, group, organization or governmental body whether intentional, wrongful, negligent, or without fault;



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JAN 25 2007

JACKSON CLAIMS

b. defect, weakness, inadequacy, fault or unsoundness in:

- (1) planning, zoning, development, surveying, siting;
- (2) design, specifications, workmanship, construction, grading, compaction;
- (3) materials used in construction or repair; or
- (4) maintenance;

of any property (including land, structures, or improvements of any kind) whether on or off the residence premises; or

c. weather conditions.

However, we do insure for any resulting loss from item a, b, and c, unless the resulting loss is itself a Loss Not Insured by this Section.

### SECTION I - LOSS SETTLEMENT

Only the Loss Settlement provisions shown in the Declarations apply. We will settle covered property losses according to the following.

#### COVERAGE A - DWELLING

##### 1. A1 - Replacement Cost Loss Settlement - Similar Construction

a. We will pay the cost to repair or replace with similar construction and for the same use on the premises shown in the Declarations, the damaged part of the property covered under SECTION I - COVERAGES, COVERAGE A - DWELLING, except for wood fences, subject to the following:

- (1) until actual repair or replacement is completed, we will pay only the actual cash value at the time of the loss of the damaged part of the property, up to the applicable limit of liability shown in the Declarations, not to exceed the cost to repair or replace the damaged part of the property;
- (2) when the repair or replacement is actually completed, we will pay the covered additional amount you actually and necessarily spend to repair or replace the damaged part of the property, or an amount up to the applicable limit of liability shown in the Declarations, whichever is less;
- (3) to receive any additional payments on a replacement cost basis, you must complete the actual repair or replacement of the damaged part of the property within two years after the date of loss, and notify us within 30 days after the work has been completed; and

b. Wood Fences: We will pay the actual cash value at the time of loss for loss or damage to wood fences not to exceed the limit of liability shown in the Declarations for COVERAGE A - DWELLING EXTENSION.

##### 2. A2 - Replacement Cost Loss Settlement - Common Construction

a. We will pay the cost to repair or replace with common construction and for the same use on the premises shown in the Declarations, the damaged part of the property covered under SECTION I - COVERAGES, COVERAGE A - DWELLING, except for wood fences, subject to the following:

- (1) we will pay only for repair or replacement of the damaged part of the property with common construction techniques and materials commonly used by the building trades in standard new construction. We will not pay the cost to repair or replace obsolete, antique or custom construction with like kind and quality;
- (2) until actual repair or replacement is completed, we will pay only the actual cash value at the time of the loss of the damaged part of the property, up to the applicable limit of liability shown in the Declarations, not to exceed the cost to repair or

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JACKSON CLAIMS

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JAN 25 2007

actually and necessarily spent to repair or replace the property; and

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(3) if property is not repaired or replaced within two years after the date of loss, we will pay only the cost to repair or replace less depreciation.

b. We will pay market value at the time of loss for:

(1) antiques, fine arts, paintings, statuary and similar articles which by their inherent nature cannot be replaced with new articles;

(2) articles whose age or history contribute substantially to their value including, but not limited to, memorabilia, souvenirs and collectors items; and

(3) property not useful for its intended purpose.

However, we will not pay an amount exceeding the smallest of the following for items a. and b. above:

(1) our cost to replace at the time of loss;

(2) the full cost of repair;

(3) any special limit of liability described in the policy; or

(4) any applicable Coverage B limit of liability.

## 2. B2 - Depreciated Loss Settlement

a. We will pay the cost to repair or replace less depreciation at the time of loss for property covered under SECTION I - COVERAGES, COVERAGE B - PERSONAL PROPERTY, except for property listed in item b. below.

b. We will pay market value at the time of loss for:

(1) antiques, fine arts, paintings, statuary and similar articles which by their inherent nature cannot be replaced with new articles;

(2) articles whose age or history contribute substantially to their value including, but not limited to, memorabilia, souvenirs and collectors items; and

(3) property not useful for its intended purpose.

replace the damaged part of the property as described in a.(1) above;

(3) when the repair or replacement is actually completed as described in a.(1) above, we will pay the covered additional amount you actually and necessarily spend to repair or replace the damaged part of the property, or an amount up to the applicable limit of liability shown in the Declarations, whichever is less;

(4) to receive any additional payments on a replacement cost basis, you must complete the actual repair or replacement of the damaged part of the property within two years after the date of loss, and notify us within 30 days after the work has been completed; and

(5) we will not pay for increased costs resulting from enforcement of any ordinance or law regulating the construction, repair or demolition of a building or other structure, except as provided under Option OL - Building Ordinance or Law Coverage.

b. Wood Fences: We will pay the actual cash value at the time of loss for loss or damage to wood fences, not to exceed the limit of liability shown in the Declarations for COVERAGE A - DWELLING EXTENSION.

## COVERAGE B - PERSONAL PROPERTY

### 1. B1 - Limited Replacement Cost Loss Settlement

a. We will pay the cost to repair or replace property covered under SECTION I - COVERAGES, COVERAGE B - PERSONAL PROPERTY, except for property listed in item b. below, subject to the following:

(1) until repair or replacement is completed, we will pay only the cost to repair or replace less depreciation;

(2) after repair or replacement is completed, we will pay the difference between the cost to repair or replace less depreciation and the cost you have

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JAN 25 2007

JACKSON CLAIMS

However, we will not pay an amount exceeding the smallest of the following for items a and b. above:

- (1) our cost to replace at the time of loss;
- (2) the full cost of repair;

(3) any special limit of liability described in the policy, or

(4) any applicable Coverage B limit of liability.

### SECTION I - CONDITIONS

1. **Insurable Interest and Limit of Liability.** Even if more than one person has an insurable interest in the property covered, we shall not be liable:

- a. to the insured for an amount greater than the insured's interest; or
- b. for more than the applicable limit of liability.

2. **Your Duties After Loss.** After a loss to which this insurance may apply, you shall see that the following duties are performed:

- a. give immediate notice to us or our agent. Also notify the police if the loss is caused by theft. Also notify the credit card company or bank if the loss involves a credit card or bank fund transfer card;
- b. protect the property from further damage or loss, make reasonable and necessary temporary repairs required to protect the property, keep an accurate record of repair expenditures;
- c. prepare an inventory of damaged or stolen personal property. Show in detail the quantity, description, age, replacement cost and amount of loss. Attach to the inventory all bills, receipts and related documents that substantiate the figures in the inventory;
- d. as often as we reasonably require:
  - (1) exhibit the damaged property;
  - (2) provide us with records and documents we request and permit us to make copies;
  - (3) submit to and subscribe, while not in the presence of any other insured:
    - (a) statements; and
    - (b) examinations under oath; and

(4) produce employees, members of the insured's household or others for examination under oath to the extent it is within the insured's power to do so; and

e. submit to us, within 60 days after the loss, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:

(1) the time and cause of loss;

(2) interest of the insured and all others in the property involved and all encumbrances on the property;

(3) other insurance which may cover the loss;

(4) changes in title or occupancy of the property during the term of this policy;

(5) specifications of any damaged building and detailed estimates for repair of the damage;

(6) an inventory of damaged or stolen personal property described in 2.c;

(7) receipts for additional living expenses incurred and records supporting the fair rental value loss; and

(8) evidence or affidavit supporting a claim under the Credit Card, Bank Fund Transfer Card, Forgery and Counterfeit Money coverage, stating the amount and cause of loss.

3. **Loss to a Pair or Set.** In case of loss to a pair or set, we may elect to:

- a. repair or replace any part to restore the pair or set to its value before the loss; or
- b. pay the difference between the depreciated value of the property before and after the loss.

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JACKSON CLAIMS

4. **Appraisal.** If you and we fail to agree on the amount of loss, either one can demand that the amount of the loss be set by appraisal. If either makes a written demand for appraisal, each shall select a competent, disinterested appraiser. Each shall notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers shall then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, you or we can ask a judge of a court of record in the state where the residence premises is located to select an umpire. The appraisers shall then set the amount of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon shall be the amount of the loss. If the appraisers fail to agree within a reasonable time, they shall submit their differences to the umpire. Written agreement signed by any two of these three shall set the amount of the loss. Each appraiser shall be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire shall be paid equally by you and us.

5. **Other Insurance.** If a loss covered by this policy is also covered by other insurance, we will pay only our share of the loss. Our share is the proportion of the loss that the applicable limit under this policy bears to the total amount of insurance covering the loss.

6. **Suit Against Us.** No action shall be brought unless there has been compliance with the policy provisions. The action must be started within one year after the date of loss or damage.

7. **Our Option.** We may repair or replace any part of the property damaged or stolen with similar property. Any property we pay for or replace becomes our property.

8. **Loss Payment.** We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 60 days after we receive your proof of loss and:

- a. reach agreement with you;
- b. there is an entry of a final judgment; or
- c. there is a filing of an appraisal award with us.

9. **Abandonment of Property.** We need not accept any property abandoned by an insured.

10. **Mortgage Clause.** The word "mortgagee" includes trustee.

a. If a mortgagee is named in this policy, any loss payable under Coverage A shall be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment shall be the same as the order of precedence of the mortgages.

b. If we deny your claim, that denial shall not apply to a valid claim of the mortgagee, if the mortgagee:

(1) notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;

(2) pays on demand any premium due under this policy, if you have not paid the premium; and

(3) submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Policy conditions relating to Appraisal, Suit Against Us and Loss Payment apply to the mortgagee.

c. If this policy is cancelled by us, the mortgagee shall be notified at least 10 days before the date cancellation takes effect. Proof of mailing shall be proof of notice.

d. If we pay the mortgagee for any loss and deny payment to you:

(1) we are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or

(2) at our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we shall receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

e. Subrogation shall not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

11. **No Benefit to Bailee.** We will not recognize an assignment or grant coverage for the benefit of a person or organization holding, storing or transporting property for

See also your policy for exclusions, conditions, coverages and all exclusions.



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JAN 25 2007

JACKSON CLAIMS

a fee. This applies regardless of any other provision of this policy.

12. Intentional Acts. If you or any person insured under this policy causes or procures a loss to property covered

under this policy for the purpose of obtaining insurance benefits, then this policy is void and we will not pay you or any other insured for this loss.

## SECTION II - LIABILITY COVERAGES

### COVERAGE L - PERSONAL LIABILITY

If a claim is made or a suit is brought against an insured for damages because of bodily injury or property damage to which this coverage applies, caused by an occurrence, we will:

1. pay up to our limit of liability for the damages for which the insured is legally liable; and
2. provide a defense at our expense by counsel of our choice. We may make any investigation and settle any claim or suit that we decide is appropriate. Our obligation to defend any claim or suit ends when the amount we pay for damages, to effect settlement or satisfy a judgment resulting from the occurrence, equals our limit of liability.

### COVERAGE M - MEDICAL PAYMENTS TO OTHERS

We will pay the necessary medical expenses incurred or medically ascertained within three years from the date of an accident causing bodily injury. Medical expenses means reasonable charges for medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, prosthetic devices and funeral services. This coverage applies only:

1. to a person on the insured location with the permission of an insured;
2. to a person off the insured location, if the bodily injury:
  - a. arises out of a condition on the insured location or the ways immediately adjoining;
  - b. is caused by the activities of an insured;
  - c. is caused by a residence employee in the course of the residence employee's employment by an insured; or
  - d. is caused by an animal owned by or in the care of an insured; or
3. to a residence employee if the occurrence causing bodily injury occurs off the insured location and arises

out of or in the course of the residence employee's employment by an insured.

### SECTION II - ADDITIONAL COVERAGES

We cover the following in addition to the limits of liability:

#### 1. Claim Expenses. We pay:

- a. expenses we incur and costs taxed against an insured in suits we defend;
- b. premiums on bonds required in suits we defend, but not for bond amounts greater than the Coverage L limit. We are not obligated to apply for or furnish any bond;

- c. reasonable expenses an insured incurs at our request. This includes actual loss of earnings (but not loss of other income) up to \$100 per day for aiding us in the investigation or defense of claims or suits;

- d. prejudgment interest awarded against the insured on that part of the judgment we pay; and

- e. interest on the entire judgment which accrues after entry of the judgment and before we pay or tender, or deposit in court that part of the judgment which does not exceed the limit of liability that applies.

2. First Aid Expenses. We will pay expenses for first aid to others incurred by an insured for bodily injury covered under this policy. We will not pay for first aid to you or any other insured.

#### 3. Damage to Property of Others.

- a. We will pay for property damage to property of others caused by an insured.

- b. We will not pay more than the smallest of the following amounts:

- (1) replacement cost at the time of loss;
- (2) full cost of repair; or

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(3) \$500 in any one occurrence.

## c. We will not pay for property damage:

(1) If insurance is otherwise provided in this policy;

(2) caused intentionally by an insured who is 19 years of age or older;

(3) to property, other than a rented golf cart, owned by or rented to an insured, a tenant of an insured, or a resident in your household; or

(4) arising out of:

(a) business pursuits;

(b) any act or omission in connection with a premises an insured owns, rents or controls, other than the insured location; or

(c) the ownership, maintenance, or use of a motor vehicle, aircraft, or watercraft, including airboat, air cushion, personal watercraft, sail board or similar type watercraft.

## SECTION II - EXCLUSIONS

## 1. Coverage L and Coverage M do not apply to:

## a. bodily injury or property damage:

(1) which is either expected or intended by the insured; or

(2) which is the result of willful and malicious acts of the insured;

b. bodily injury or property damage arising out of business pursuits of any insured or the rental or holding for rental of any part of any premises by any insured. This exclusion does not apply:

(1) to activities which are ordinarily incident to non-business pursuits;

(2) with respect to Coverage L to the occasional or part-time business pursuits of an insured who is under 19 years of age;

(3) to the rental or holding for rental of a residence of yours;

(a) on an occasional basis for the exclusive use as a residence;

(b) in part, unless intended for use as a residence by more than two roomers or boarders; or

(c) in part, as an office, school, studio or private garage;

(4) when the dwelling on the residence premises is a two, three or four-family dwelling and you oc-

cupy one part and rent or hold for rental the other part; or

(5) to farm land (without buildings), rented or held for rental to others, but not to exceed a total of 500 acres, regardless of the number of locations;

c. bodily injury or property damage arising out of the rendering or failing to render professional services;

d. bodily injury or property damage arising out of any premises currently owned or rented to any insured which is not an insured location. This exclusion does not apply to bodily injury to a residence employee arising out of and in the course of the residence employee's employment by an insured;

e. bodily injury or property damage arising out of the ownership, maintenance, use, loading or unloading of:

(1) an aircraft;

(2) a motor vehicle owned or operated by or rented or loaned to any insured; or

(3) a watercraft:

(a) owned by or rented to any insured if it has inboard or inboard-outdrive motor power of more than 50 horsepower;

(b) owned by or rented to any insured if it is a sailing vessel, with or without auxiliary power, 26 feet or more in overall length;

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JAN 25 2007

JACKSON COUNTY, MS

(c) powered by one or more outboard motors with more than 25 total horsepower owned by any Insured;

(d) designated as an airboat, air-cushion, or similar type of craft; or

(e) owned by any Insured which is a personal watercraft using a water jet pump powered by an internal combustion engine as the primary source of propulsion.

This exclusion does not apply to bodily injury to a residence employee arising out of and in the course of the residence employee's employment by an Insured. Exclusion e.(3) does not apply while the watercraft is on the residence premises;

f. bodily injury or property damage arising out of:

(1) the entrustment by any Insured to any person;

(2) the supervision by any Insured of any person;

(3) any liability statutorily imposed on any Insured; or

(4) any liability assumed through an unwritten or written agreement by any Insured;

with regard to the ownership, maintenance or use of any aircraft, watercraft, or motor vehicle which is not covered under Section II of this policy;

g. bodily injury or property damage caused directly or indirectly by war, including undeclared war, or any warlike act including destruction or seizure or use for a military purpose, or any consequence of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental.

h. bodily injury to you or any Insured within the meaning of part a. or b. of the definition of Insured.

This exclusion also applies to any claim made or suit brought against you or any Insured to share damages with or repay someone else who may be obligated to pay damages because of the bodily injury sustained by you or any Insured within the meaning of part a. or b. of the definition of Insured;

i. any claim made or suit brought against any Insured by:

(1) any person who is in the care of any Insured because of child care services provided by or at the direction of:

(a) any Insured;

(b) any employee of any Insured; or

(c) any other person actually or apparently acting on behalf of any Insured; or

(2) any person who makes a claim because of bodily injury to any person who is in the care of any Insured because of child care services provided by or at the direction of:

(a) any Insured;

(b) any employee of any Insured; or

(c) any other person actually or apparently acting on behalf of any Insured.

This exclusion does not apply to the occasional child care services provided by any Insured, or to the part-time child care services provided by any Insured who is under 19 years of age; or

j. bodily injury or property damage arising out of an Insured's participation in, or preparation or practice for any prearranged or organized race, speed or demolition contest, or similar competition involving a motorized land vehicle or motorized watercraft. This exclusion does not apply to a sailing vessel less than 26 feet in overall length with or without auxiliary power.

2. Coverage L does not apply to:

a. liability:

(1) for your share of any loss assessment charges against all members of an association of property owners; or

(2) assumed under any unwritten contract or agreement; or by contract or agreement in connection with a business of the Insured;

b. property damage to property currently owned by an Insured;

c. property damage to property rented to, occupied or used by or in the care of any Insured. This exclusion

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JAN 25 2007

JACKSON CLAIMS

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INSURANCE COMPANY

JAN 25 2007

JACKSON CLAIMS

does not apply to property damage caused by fire, smoke or explosion;

d. bodily injury to a person eligible to receive any benefits required to be provided or voluntarily provided by an insured under a workers' compensation, non-occupational disability, or occupational disease law;

e. bodily injury or property damage for which an insured under this policy is also an insured under a nuclear energy liability policy or would be an insured but for its termination upon exhaustion of its limit of liability. A nuclear energy liability policy is a policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada, or any of their successors.

3. Coverage M does not apply to bodily injury:

a. to a residence employee if it occurs off the insured location and does not arise out of or in the course of the residence employee's employment by an insured;

b. to a person eligible to receive any benefits required to be provided or voluntarily provided under any workers' compensation, non-occupational disability or occupational disease law;

c. from nuclear reaction, radiation or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these;

d. to a person other than a residence employee of an insured, regularly residing on any part of the insured location.

## SECTION II - CONDITIONS

1. **Limit of Liability.** The Coverage L limit is shown in the Declarations. This is our limit for all damages from each occurrence regardless of the number of insureds, claims made or persons injured.

The Coverage M limit is shown in the Declarations. This is our limit for all medical expenses for bodily injury to one person as the result of one accident.

2. **Severability of Insurance.** This insurance applies separately to each insured. This condition shall not increase our limit of liability for any one occurrence.

3. **Duties After Loss.** In case of an accident or occurrence, the insured shall perform the following duties that apply. You shall cooperate with us in seeing that these duties are performed:

a. give written notice to us or our agent as soon as practicable, which sets forth:

(1) the identity of this policy and insured;

(2) reasonably available information on the time, place and circumstances of the accident or occurrence; and

(3) names and addresses of any claimants and available witnesses;

b. immediately forward to us every notice, demand, summons or other process relating to the accident or occurrence;

c. at our request, assist in:

(1) making settlement;

(2) the enforcement of any right of contribution or indemnity against a person or organization who may be liable to an insured;

(3) the conduct of suits and attend hearings and trials; and

(4) securing and giving evidence and obtaining the attendance of witnesses;

d. under the coverage - Damage to Property of Others, exhibit the damaged property if within the insured's control; and

e. the insured shall not, except at the insured's own cost, voluntarily make payments, assume obligations or incur expenses. This does not apply to expense for first aid to others at the time of the bodily injury.

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JACKSON CLAIMS

4. **Duties of an Injured Person - Coverage M.** The injured person, or, when appropriate, someone acting on behalf of that person, shall:

- a. give us written proof of claim, under oath if required, as soon as practicable;
- b. execute authorization to allow us to obtain copies of medical reports and records; and
- c. submit to physical examination by a physician selected by us when and as often as we reasonably require.

6. **Payment of Claim - Coverage M.** Payment under this coverage is not an admission of liability by an Insured or us.

6. **Suit Against Us.** No action shall be brought against us unless there has been compliance with the policy provisions.

No one shall have the right to join us as a party to an action against an Insured. Further, no action with respect to Coverage L shall be brought against us until the obligation of the Insured has been determined by final judgment or agreement signed by us.

7. **Bankruptcy of an Insured.** Bankruptcy or insolvency of an Insured shall not relieve us of our obligation under this policy.

8. **Other Insurance - Coverage L.** This insurance is excess over any other valid and collectible insurance except insurance written specifically to cover an excess over the limits of liability that apply in this policy.

## SECTION I AND SECTION II - CONDITIONS

1. **Policy Period.** This policy applies only to loss under Section I or bodily injury or property damage under Section II which occurs during the period this policy is in effect.

2. **Concealment or Fraud.** This policy is void as to you and any other Insured, if you or any other Insured under this policy has intentionally concealed or misrepresented any material fact or circumstance relating to this insurance, whether before or after a loss.

3. **Liberalization Clause.** If we adopt any revision which would broaden coverage under this policy without additional premium, within 60 days prior to or during the period this policy is in effect, the broadened coverage will immediately apply to this policy.

4. **Waiver or Change of Policy Provisions.** A waiver or change of any provision of this policy must be in writing by us to be valid. Our request for an appraisal or examination shall not waive any of our rights.

5. **Cancellation:**

- a. You may cancel this policy at any time by notifying us in writing of the date cancellation is to take effect. We may waive the requirement that the notice be in writing by confirming the date and time of cancellation to you in writing.

b. We may cancel this policy only for the reasons stated in this condition. We will notify you in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations. Proof of mailing shall be sufficient proof of notice:

(1) When you have not paid the premium, we may cancel at any time by notifying you at least 10 days before the date cancellation takes effect. This condition applies whether the premium is payable to us or our agent or under any finance or credit plan.

(2) When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason. We may cancel by notifying you at least 10 days before the date cancellation takes effect.

(3) When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:

- (a) if there has been a material misrepresentation of fact which, if known to us, would have caused us not to issue this policy; or



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JAN 25 2007

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(b) if the risk has changed substantially since the policy was issued.

We may cancel this policy by notifying you at least 30 days before the date cancellation takes effect.

(4) When this policy is written for a period longer than one year, we may cancel for any reason at anniversary. We may cancel by notifying you at least 30 days before the date cancellation takes effect.

c. When this policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded. When you request cancellation, the return premium will be based on our rules for such cancellation. The return premium may be less than a full pro rata refund. When we cancel, the return premium will be pro rata.

d. The return premium may not be refunded with the notice of cancellation or when the policy is returned to us. In such cases, we will refund it within a reasonable time after the date cancellation takes effect.

6. **Nonrenewal.** We may elect not to renew this policy. If we elect not to renew, a written notice will be delivered to you, or mailed to you at your mailing address shown in the Declarations. The notice will be mailed or delivered at least 30 days before the expiration date of this policy. Proof of mailing shall be sufficient proof of notice.

7. **Assignment.** Assignment of this policy shall not be valid unless we give our written consent.

8. **Subrogation.** An insured may waive in writing before a loss all rights of recovery against any person. If not

waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us.

If an assignment is sought, an insured shall:

- sign and deliver all related papers;
- cooperate with us in a reasonable manner; and
- do nothing after a loss to prejudice such rights.

Subrogation does not apply under Section II to Medical Payments to Others or Damage to Property of Others.

9. **Death.** If any person shown in the Declarations or the spouse, if a resident of the same household, dies:

- we insure the legal representative of the deceased. This condition applies only with respect to the premises and property of the deceased covered under this policy at the time of death;

b. Insured includes:

- any member of your household who is an insured at the time of your death, but only while a resident of the residence premises; and

- with respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

10. **Conformity to State Law.** When a policy provision is in conflict with the applicable law of the State in which this policy is issued, the law of the State will apply.

#### OPTIONAL POLICY PROVISIONS

Each Optional Policy Provision applies only as shown in the Declarations and is subject to all the terms, provisions, exclusions and conditions of this policy.

**Option AI - Additional Insured.** The definition of Insured is extended to include the person or organization shown in the Declarations as an Additional Insured or whose name is on file with us. Coverage is with respect to:

- Section I - Coverage A; or

2. **Section II - Coverages L and M** but only with respect to the residence premises. This coverage does not apply to bodily injury to an employee arising out of or in the course of the employee's employment by the person or organization.

This option applies only with respect to the location shown in the Declarations.

**Option BP - Business Property.** The **COVERAGE B - PERSONAL PROPERTY**, Special Limits of Liability, item b., for property used or intended for use in a business,

especially "Lessee Not Insured" and all exclusions.

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including merchandise held as samples or for sale or for delivery after sale, is changed as follows:

The \$1,000 limit is replaced with the amount shown in the Declarations for this option.

**Option BU - Business Pursuits. SECTION II - EXCLUSIONS:** item 1.b. is modified as follows:

1. Section II coverage applies to the business pursuits of an insured who is a:

- a. clerical office employee, salesperson, collector, messenger; or
- b. teacher (except college, university and professional athletic coaches), school principal or school administrator;

while acting within the scope of the above listed occupations.

2. However, no coverage is provided:

- a. for bodily injury or property damage arising out of a business owned or financially controlled by the insured or by a partnership of which the insured is a partner or member;

- b. for bodily injury or property damage arising out of the rendering of, or failure to render professional services of any nature (other than teaching or school administration). This exclusion includes but is not limited to:

(1) computer programming, architectural, engineering or industrial design services;

(2) medical, surgical, dental or other services or treatment conducive to the health of persons or animals; and

(3) beauty or barber services or treatment;

- c. for bodily injury to a fellow employee of the insured injured in the course of employment; or

- d. when the insured is a member of the faculty or teaching staff of a school or college:

(1) for bodily injury or property damage arising out of the maintenance, use, loading or unloading of:

(a) draft or saddle animals, including vehicles for use with them; or

(b) aircraft, motor vehicles, recreational motor vehicles or watercraft, airboats, air cushions or personal watercraft which use a water jet pump powered by an internal combustion engine as the primary source of propulsion;

owned or operated, or hired by or for the insured or employer of the insured or used by the insured for the purpose of instruction in the use thereof; or

(2) under Coverage M for bodily injury to a pupil arising out of corporal punishment administered by or at the direction of the insured.

**Option FA - Firearms.** Firearms are insured for accidental direct physical loss or damage.

The limits for this option are shown in the Declarations. The first amount is the limit for any one article; the second amount is the aggregate limit for each loss.

The following additional provisions apply:

1. we do not insure for any loss to the property described in this option either consisting of, or directly and immediately caused by, one or more of the following:

a. mechanical breakdown, wear and tear, gradual deterioration;

b. insects or vermin;

c. any process of refinishing, renovating, or repairing;

d. dampness of atmosphere or extremes of temperatures;

e. inherent defect or faulty manufacture;

f. rust, fouling or explosion of firearms;

g. breakage, marring, scratching, tearing or denting unless caused by fire, thieves or accidents to conveyances; or

h. infidelity of an insured's employees or persons to whom the insured property may be entrusted or rented;

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STATE OF MISSISSIPPI  
INSURANCE COMMISSION  
JAN 25 2007  
JACKSON CLAIMS

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048/057

STATE  
INSURANCE  
JAN 25 2007  
JACKSON, MISSISSIPPI

2. our limit for loss by any Coverage B peril except theft is the limit shown in the Declarations for Coverage B, plus the aggregate limit;
3. our limits for loss by theft are those shown in the Declarations for this option. These limits apply in lieu of the Coverage B theft limit; and
4. our limits for loss by any covered peril except those in items 2. and 3. are those shown in the Declarations.

**Option HC - Home Computer.** The **COVERAGE B - PERSONAL PROPERTY, Special Limits of Liability, Item L**, for electronic data processing system equipment and the recording or storage media used with that equipment is increased to be the amount shown in the Declarations for this option.

**Option ID - Increased Dwelling Limit.** We will settle losses to damaged building structures covered under **COVERAGE A - DWELLING** according to the **SECTION I - LOSS SETTLEMENT** provision shown in the Declarations.

If the amount you actually and necessarily spend to repair or replace damaged building structures exceeds the applicable limit of liability shown in the Declarations, we will pay the additional amounts not to exceed:

1. the Option ID limit of liability shown in the Declarations to repair or replace the Dwelling; or
2. 10% of the Option ID limit of liability to repair or replace building structures covered under **COVERAGE A - DWELLING, Dwelling Extension**.

**Report Increased Values.** You must notify us within 90 days of the start of any new building structure costing \$5,000 or more; or any additions to or remodeling of building structures which increase their values by \$5,000 or more. You must pay any additional premium due for the increased value. We will not pay more than the applicable limit of liability shown in the Declarations, if you fail to notify us of the increased value within 90 days.

**Option IO - Incidental Business.** The coverage provided by this option applies only to that incidental business occupancy on file with us.

1. **COVERAGE A - DWELLING, Dwelling Extension, Item 2.b.** is deleted.
2. **COVERAGE B - PERSONAL PROPERTY** is extended to include equipment, supplies and furnishings usual and

incidental to this business occupancy. This Optional Policy Provision does not include electronic data processing system equipment or the recording or storage media used with that equipment or merchandise held as samples or for sale or for delivery after sale.

The Option IO limits are shown in the Declarations. The first limit applies to property on the residence premises. The second limit applies to property while off the residence premises. These limits are in addition to the **COVERAGE B - PERSONAL PROPERTY, Special Limits of Liability** on property used or intended for use in a business.

3. Under Section II, the residence premises is not considered business property because an insured occupies a part of it as an incidental business.

4. **SECTION II - EXCLUSIONS, Item 1.b. of Coverage L and Coverage M** is replaced with the following:

b. bodily injury or property damage arising out of business pursuits of an insured or the rental or holding for rental of any part of any premises by an insured. This exclusion does not apply:

- (1) to activities which are ordinarily incident to non-business pursuits or to business pursuits of an insured which are necessary or incidental to the use of the residence premises as an incidental business;

- (2) with respect to Coverage L to the occasional or part-time business pursuits of an insured who is under 19 years of age;

- (3) to the rental or holding for rental of a residence of yours:

(a) on an occasional basis for exclusive use as a residence;

(b) in part, unless intended for use as a residence by more than two roomers or boarders; or

(c) in part, as an incidental business or private garage;

- (4) when the dwelling on the residence premises is a two family dwelling and you occupy

especially "Losses Not Insured" and all exclusions.



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STATE  
INSURANCE COMPANY

JAN 25 2007

JACKSON CLAIMS

one part and rent or hold for rental the other part; or

(5) to farm land (without buildings), rented or held for rental to others, but not to exceed a total of 500 acres, regardless of the number of locations.

5. This insurance does not apply to:

a. bodily injury to an employee of an insured arising out of the residence premises as an incidental business other than to a residence employee while engaged in the employee's employment by an insured;

b. bodily injury to a pupil arising out of corporal punishment administered by or at the direction of the insured;

c. liability arising out of any acts, errors or omissions of an insured, or any other person for whose acts an insured is liable, resulting from the preparation or approval of data, plans, designs, opinions, reports, programs, specifications, supervisory inspections or engineering services in the conduct of an insured's incidental business involving data processing, computer consulting or computer programming; or

d. any claim made or suit brought against any insured by:

(1) any person who is in the care of any insured because of child care services provided by or at the direction of:

(a) any insured;

(b) any employee of any insured; or

(c) any other person actually or apparently acting on behalf of any insured; or

(2) any person who makes a claim because of bodily injury to any person who is in the care of any insured because of child care services provided by or at the direction of:

(a) any insured;

(b) any employee of any insured; or

(c) any other person actually or apparently acting on behalf of any insured.

Coverage M does not apply to any person indicated in (1) and (2) above.

This exclusion does not apply to the occasional child care services provided by any insured, or to the part-time child care services provided by any insured who is under 19 years of age.

**Option JF - Jewelry and Furs:** Jewelry: watches, fur garments and garments trimmed with fur, precious and semi-precious stones, gold, other than goldware, silver other than silverware and platinum are insured for accidental direct physical loss or damage.

The limits for this option are shown in the Declarations. The first amount is the limit for any one article; the second amount is the aggregate limit for each loss.

The following additional provisions apply:

1. we do not insure for any loss to the property described in this option either consisting of, or directly and immediately caused by, one or more of the following:

a. mechanical breakdown, wear and tear, gradual deterioration;

b. insects or vermin;

c. inherent vice; or

d. seizure or destruction under quarantine or customs regulations;

2. our limit for loss by any Coverage B peril except theft is the limit shown in the Declarations for Coverage B, plus the aggregate limit;

3. our limits for loss by theft are those shown in the Declarations for this option; and

4. our limits for loss by any covered peril except those in items 2. and 3. are those shown in the Declarations for this option.



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JAN 25 2007

JACKSON CLARK

**Option OL - Building Ordinance or Law.****1. Coverage Provided.**

The total limit of insurance provided by this Building Ordinance or Law provision will not exceed an amount equal to the Option OL percentage shown in the Declarations of the Coverage A limit shown in the Declarations at the time of the loss, as adjusted by the inflation coverage provisions of the policy. This is an additional amount of insurance and applies only to the dwelling.

**2. Damaged Portions of Dwelling.**

When the dwelling covered under **COVERAGE A - DWELLING** is damaged by a Loss Insured we will pay for the increased cost to repair or rebuild the physically damaged portion of the dwelling caused by the enforcement of a building, zoning or land use ordinance or law if the enforcement is directly caused by the same Loss Insured and the requirement is in effect at the time the Loss Insured occurs.

**3. Undamaged Portions of Damaged Dwelling.**

When the dwelling covered under **COVERAGE A - DWELLING** is damaged by a Loss Insured we will also pay for:

- a. the cost to demolish and clear the site of the undamaged portions of the dwelling caused by the enforcement of a building, zoning or land use ordinance or law if the enforcement is directly caused by the same Loss Insured and the requirement is in effect at the time the Loss Insured occurs; and
- b. loss to the undamaged portion of the dwelling caused by enforcement of any ordinance or law if:
  - (1) the enforcement is directly caused by the same Loss Insured;
  - (2) the enforcement requires the demolition of portions of the same dwelling not damaged by the same Loss Insured;
  - (3) the ordinance or law regulates the construction or repair of the dwelling, or establishes zoning or

land use requirements at the described premises; and

(4) the ordinance or law is in force at the time of the occurrence of the same Loss Insured; or

- c. the legally required changes to the undamaged portion of the dwelling caused by the enforcement of a building, zoning or land use ordinance or law if the enforcement is directly caused by the same Loss Insured and the requirement is in effect at the time the Loss Insured occurs.

**4. Building Ordinance or Law Coverage Limitations.**

- a. We will not pay for any increased cost of construction under this coverage:

(1) until the dwelling is actually repaired or replaced at the same or another premises in the same general vicinity; and

(2) unless the repairs or replacement are made as soon as reasonably possible after the loss, not to exceed two years.

- b. We will not pay more for loss to the undamaged portion of the dwelling caused by the enforcement of any ordinance or law than:

(1) the depreciated value of the undamaged portion of the dwelling, if the dwelling is not repaired or replaced;

(2) the amount you actually spend to replace the undamaged portion of the dwelling if the dwelling is repaired or replaced.

- c. We will not pay more under this coverage than the amount you actually spend:

(1) for the increased cost to repair or rebuild the dwelling at the same or another premises in the same general vicinity if relocation is required by ordinance or law; and

(2) to demolish and clear the site of the undamaged portions of the dwelling caused by enforcement of building, zoning or land use ordinance or law.

especially Losses Not Insured and all exclusions.

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051/057

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INSURANCE  
JAN 25 2007  
JACKSON CLARK

We will never pay for more than a dwelling of the same height, floor area and style on the same or similar premises as the dwelling, subject to the limit provided in paragraph 1. Coverage Provided of this option.

Option SG - Silverware and Goldware Theft. The COVERAGE B - PERSONAL PROPERTY, Special Limits of Liability, Item h., for theft of silverware and goldware is increased to be the amount shown in the Declarations for this option.

IN WITNESS WHEREOF, this Company has caused this policy to be signed by its President and Secretary at Bloomington, Illinois.

*Laura R. Sullivan*

Secretary

*Edward J. Runtz, Jr.*

President

The Board of Directors, in accordance with Article VI(c) of this Company's Articles of Incorporation, may from time to time distribute equitably to the holders of the participating policies issued by said Company such sums out of its earnings as in its judgment are proper.

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053/057

STATE FARM FIRE AND CASUALTY COMPANY  
SOUTH CENTRALHOMEOWNERS  
NEW AIDPolicyholder: PUGH, BARRY  
Policy Number: 42-KE-2200-2

Page 2 of 2

JAN 25 2007  
JAN 25 2007

## UNDERWRITING

Does this applicant/dwelling meet all Homeowner Underwriting Guide Requirements: YES  
 Prior Insurance Carrier: NONE  
 Insured With State Farm: YES Insured from Date: 05/2003 Insured to Date: 09/2005  
 Number of Years: 2 State: TN  
 Premises Inspected On: 12/30/2005 Inspected By: UTC

Dwelling  
 Manned/Unmanned Free Standing Fireplaces: NO Year Purchased: 2001  
 Roof History: REPLACED Year (If Known): 1998  
 Unrepaired Damage: NO  
 Burial Bars: NO

Fire Department Service  
 A fire department (including those requiring a subscription) provides fire protection to the dwelling: YES  
 Has water available for fire protection year round: YES  
 Is accessible to fire department protection equipment year round: YES  
 Is inside city limits: YES

Prior Losses  
 Loss Date: 05/15/2003 Loss Amount: 593 Cat: NO Weather: YES  
 Description: LIGHTNING  
 Is applicant a current State Farm policyholder having a qualifying residential policy: NO  
 Has any insurer or agency canceled or refused to issue or renew similar insurance to the named applicant or any household member within the past 3 years? YES  
 Explain: statefarm cancel for nonpay  
 Has the applicant been convicted of arson, fraud, or other insurance related offenses? NO

Approximate Personal Property Values

Jewelry and Furs:	7000	Collectibles:	3000
Piercings:	3500	TV, Stereo, Tapes, Records, CDs:	17000
Goldware, Silverware:	3500	Fine Arts, Antiques, Rugs:	3000
Business Property:	0	Musical Instruments, Cameras, Sporting Equip:	3500
Personal Tools:	8000	Computers (Hardware, Software):	3000

Incidental Business: NO  
 Child/Adult Care: NO  
 Pet Liability:  
 Number of Dogs: 0  
 Number of Wild Animals: 0  
 Detached Structures: NO  
 Back-up Sewer or Drain  
 Leaky Last 5 Years: NO  
 Earthquake:  
 Deductible: 10% Zone: 2 Dwelling on Stilts/Piers: NO  
 Masonry Vandal Coverage: NO Masonry Walls/Cracking Foundation: NO  
 Solid Masonry Walls: NO

EA 3340 TFLS Rev. 09-2005

Date Printed: JAN 4 2006

Revised 3/2006 Rev. 04-2006

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054/057

STATE FARM FIRE AND CASUALTY COMPANY  
SOUTH CENTRALHOMESOWNERS  
NEW AIDPolicyholder: MUGH, HARRY  
Policy Number: 43-KE-0504-2

Page A-17

## Insurance to Value - Dwelling

Effective Date: 01/03/2006

App Date: 12/22/2005

App Time: 11:02 AM

Agent Name: COSBY, ULYSSES

Agent Code: 1574

Policy Type: HOMESOWNERS

Survey/Reval Date: 12/29/2005

Description of the Dwelling

Year: 1985

No. of Families: 1

No. of Stories: 2

Number of Corners: 7 OR 8

Foundation

SLAB

Construction

FRAME

Square Footage

Ground Floor: 1985

Exterior

Roof Type: COMP SHINGLE

Features

Central Air

Porches (open): 1

Decks: 1

Masonry Chimneys: 1

Garage Type: ATTACHED

Number of Cars: 2

Interior Features

Specialty Rooms

Dining room

Laundry room

Building Features

Number of Fireplace Hearths: 1

Kitchen Package

Special Features

Bedrooms adjoining a bathroom or sitting room

Hardwood, slate, or marble floors

Stained or varnished woodwork

Area Adjustment Factor: 1.68

IV Percentage: 100

Estimated Replacement Cost: 209500

EA 8649 TML Rev. 09-2005

Date Printed: JAN 4 2006

80-0543 1 01/03/06 Rev. 04-0003

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055/057

# EXHIBIT B

STATE OF FLORIDA  
INSURANCE COMMISSION  
JAN 25 2007  
JACKSONVILLE

01/25/2007 15:04 FAX

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056/057

Bradley J. Cordts\*  
James M. Gulley

James D. Gentry  
Deena L. Knopf  
David N. Arnold  
Amanda N. Turnage\*\*

6263 Poplar Avenue, Suite 1132  
Memphis, Tennessee 38119  
Phone: (901) 684-2270 Fax: (901) 684-6636  
e-mail: cordtsandgulley@cordtsandgulley.com

Laura M. Hill  
Paralegal

\* Licensed in TN, FL & SD

\*\* Licensed in TN & MS

STATE FARM  
INSURANCE COMPANY

JAN 25 2007

JACKSON, TN

June 6, 2006

Mr. Russell Reviere  
Rainey, Kizer, Reviere, & Bell, P.C.  
P.O. Box 1147  
Jackson, TN 38302-1147

RE: Our Client: Barry and Carol Pugh  
Date of Loss: January 15, 2006  
State Farm Claim Number: 42-B139-230

Dear Mr. Reviere:

I have been contacted by Mr. Phil Brewer of Shelby County Code Enforcement regarding my clients' property located at 451 South Circle Road. Mr. Brewer has informed me that he has received complaints regarding the condition of the property and has notified me that he will be citing my client to Shelby County Environmental Court for code violations. I explained to Mr. Brewer that the code violations are continuing only because Mr. Pugh's insurance claim with State Farm has yet to be resolved. These environmental issues increase the need for this claim to be resolved as quickly as possible.

At this point, the Pughs have fully cooperated with State Farm and your office in resolving their claim. Mr. and Mrs. Pugh have made themselves available for examinations under oath, have provided financial documents as requested, have supplied receipts and photographs of personal property, and have submitted an itemized claim for personal property which was lost in the fire. In addition, Mr. Pugh has provided you with a list of names, addresses, and telephone numbers of witnesses who can attest to my clients' whereabouts at the time of the fire and to additional aspects of the claim about which you have inquired.

A formal claim and demand was made by Mr. Pugh in his Proof of Loss, which was completed and provided to State Farm on February 21, 2006. Because it has been over 60 days from that date and State Farm has neither paid Mr. Pugh's claim nor given any explanation for its refusal to pay, it appears that State Farm's refusal to pay is in bad faith and that my clients will be entitled to additional recovery pursuant to T.C.A. § 56-7-105.

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057/057

In addition, I believe my clients have a claim under Tennessee's Consumer Protection Act, T.C.A. § 47-18-101 et seq. The TCPA applies to insurance companies' claim handling procedures. See *Sparks v. Allstate Insurance Company*, 98 F.Supp.2d 933 (6<sup>th</sup> Cir. 2000). In *Sparks v. Allstate*, the court found that it is deceptive when an insurance company holds out in its policy that when premiums are paid, claims would be paid, but then goes on to deny a legitimate claim. *Id.*, at 936.

It has been nearly six months since my clients lost their home and everything they own in this fire. As such, we demand that State Farm conclude its investigation of this incident and pay this claim.

I look forward to hearing from you regarding settlement of this claim.

Sincerely,

  
David N. Arnold

STATE FARM  
INSURANCE

JAN

JACKSONVILLE

cc: Barry and Carol Pugh

E NS

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**U.S. Postal Service**  
**CERTIFIED MAIL RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

NASHVILLE TN 37243

**OFFICIAL USE**

Postage	\$	\$2.55
Certified Fee		\$2.40
Return Receipt Fee (Endorsement Required)		\$1.85
Restricted Delivery Fee (Endorsement Required)		\$0.00
<b>Total Postage &amp; Fees</b>	<b>\$</b>	<b>\$6.80</b>

0084  
BARTLETT ST MEMPHIS TN 38184  
JAN 17 2007  
Postmark Here  
01/17/2007

**Sent To**  
COMMISSIONER  
DEPARTMENT OF INSURANCE  
Street, Apt. No.;  
or PO Box No. 500 JAMES ROBERTSON BLVD.  
City, State, ZIP+4 VOLUNTEER PLAZA  
NASHVILLE TN 37243

PS Form 3800, April 2002 See Reverse for Instructions

Handwritten signature/initials: *NS*

Handwritten mark: *NS*

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature  <input checked="" type="checkbox"/> <i>C. Shaw</i> <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>1. Article Addressed to:</p> <p>COMMISSIONER            DEPARTMENT OF INSURANCE            500 JAMES ROBERTSON BLVD.            VOLUNTEER PLAZA            NASHVILLE, TN. 37243</p>		<p>B. Received by (Printed Name)  <i>C. Shaw</i></p> <p>C. Date of Delivery</p>	
<p>2. Article Number            (Transfer from sender's entry) <b>7002 0860 0001 3184 4888</b></p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes            If YES, enter delivery address below: <input type="checkbox"/> No</p>	
<p>PS Form 3811, August 2001</p>		<p>3. Service Type  <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail  <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>	
<p>Domestic Return Receipt</p>		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	
<p>2ACPRI-03-Z-0985</p>		<p><b>CH-01-0071-2</b></p>	